

people into dealing with negotiable securities. The time was nearly ripe in the progress of modern financing for this change in the habits of the people, but it required a loan which appealed to their patriotism and carried a high guarantee of safety to definitely break down the old habit of hoarding and establish the new habit of investment.\* The subscriptions to the second loan were 934,276, and the amount subscribed was 13,252,455,930 francs at Paris. 4,513,-445,566 francs in the provinces, and 26,050,195,054 francs *in* foreign countries. The foreign subscriptions, numbering 107,612, were largely speculative and the majority were made by the great financial houses as a means of supporting tlidr correspondents in Paris. The bulk of the loan tended eventually into the hands of Frenchmen. The hoards of gold and silver brought into the market from the provincial subscribers went to swell the monetary circulation and enabled the Bank of France within a few years to accumulate a coin reserve nearly twice as large as it had ever before held. While 375,000,000 francs (#73,000,000) in gold left the country in the three years 1871-73 and the reserve of the Bank of France declined as low in 1871 as 399,000,000 francs, the yellow metal came pouring back in the next few years, and in 1876 the reserve of gold alone in the bank at 1,530,400,000 francs (\$300,000,000).

Another striking feature of the payment of the war indemnity was the development of the use of credit for transferring funds from one country to another.

<sup>1</sup> M. Leroy-Beaulieu computes an increase in French fund-holder\* from 550,000 in 1870 to 1,000,000 in 1876, counting only permanent investors and excluding speculative holdings. This would be about one in eight of the heads of families in France, The

of  
public securities- in the departments increased from  
lit  
to 24,272,094 in 1873.—La Science des Finances, II.,  
The  
ef-  
fect of the popular subscriptions may be traced also  
*in* the reduction  
of the balances in the *Caisse d'E;pargn@* (Savings of  
which fell from 54,180,747 francs (\$10,500,000) on  
January r,  
to  
35,454,124 francs (\$7,000,000) on January I, 1873, the

latter

the  
lowest point reached since 1850.—Vide Bulletin ^

bet,  
1895, XXXVIII., 374-77.